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SUBJECT: PRESIDENT MUTHARIKA'S AGENDA FOR THE AU

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CLASSIFIED BY: Sullivan Kevin, DCM; REASON: 1.4(B), (D)

11. SUMMARY: Malawian President Bingu wa Mutharika has not articulated a specific agenda for the African Union if, as expected, he is elected the organization's chair at the AU's upcoming summit in Addis Ababa. To date, Mutharika has generally kept a low profile on international political issues. He appears unlikely to pursue an active role as an international mediator on difficult issues like Sudan, Somalia or Zimbabwe. He has shown little inclination or talent as a conciliator domestically. Mutharika has shown genuine enthusiasm, on the other hand, for development and economic issues, but has tended to oppose IMF orthodoxy and "Western" solutions to African problems. The President has also expressed a keen interest in climate change, and could potentially be helpful in urging more African countries to associate themselves with the Copenhagen Accords. President Mutharika would relish his role as Chair of the African Union, but the USG should nurture realistic expectations concerning the quality of leadership and energy this aging, contrarian leader and his tiny and underfunded diplomatic team will bring to the office. End Summary.

12. As the Southern African Development Community's candidate for Chairperson of the African Union, Malawian President Bingu wa Mutharika appears likely to be elected to the post at the upcoming heads of state summit in Addis Ababa (ref A). Malawi's Ministry of Foreign Affairs (MFA) recently expressed confidence that Malawi has enough confirmed support around the continent to prevail over any Libyan attempt to extend its chairmanship. The President told a group of donors January 18 (ref B) that he had not yet formulated a detailed agenda for his term as head of the AU, but would instead consult with other heads of state at the Addis summit to learn their views. He promised to brief the Lilongwe diplomatic corps on his plans soon after returning from Ethiopia.

BINGU: CREATURE OF INTERNATIONAL ORGANIZATIONS

13. While we have no explicit pronouncements concerning Mutharika's vision for his possible year as Chairperson, his long career as an international civil servant and statements outside the

AU context provide some clues as to his views. Assuming the AU Chair would mark the pinnacle of Mutharika's long career as an international civil servant. He began his international work as a low-level officer with the United Nations in 1966 and, after a stint at the World Bank in the mid 1970's, returned to the UN in 1978 as Director of Trade Development and Finance, serving both in the United States and in Addis Ababa. From 1991 to 1997, Mutharika served as Secretary General of what would eventually become the Common Market of Eastern and Southern Africa (COMESA). His tenure there ended badly, with allegations of financial mismanagement and a rumored feud with then Malawi's then-president, Bakili Muluzi. Nonetheless, Mutharika would bring to the position of AU Chair a sense that the job is a logical next step for a man who has dedicated much of his professional life to African regional issues and organizations.

AFRICA OLD-THINK

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14. Bingu, as he is known in Malawi, would also bring to the Chairmanship a set of views on policy issues that are in many ways a throwback to African "old-think." Malawi still boasts a rapidly growing economy, but the President over the last few years has adopted an increasingly statist perspective on major economic issues. He has largely crowded the private sector out of his signature fertilizer subsidy program and set unrealistic minimum prices for agricultural crops. Bingu has called for Malawi's transformation from an importing and consuming nation to a producing and exporting country, but his stubborn insistence on an overvalued exchange rate and periodic hostility to foreign investors has hampered this process. He threw several senior executives from U.S.-based tobacco companies out of Malawi, purportedly because they refused to pay the minimum prices the President had established for the commodity. U.S. firm Cargill recently pulled out of the cotton sector for the same reason (ref C).

15. Although foreign assistance makes up approximately 40 percent of Malawi's national budget, the President has staked out public positions in opposition to conventional wisdom coming from donors, including international financial institutions. Mutharika has argued that none of the world's fastest developing economies over recent decades has followed the orthodox prescriptions of the IMF and other Western donors, so why should Malawi? In fact, the GOM has maintained reasonable fiscal discipline since Bingu came to power and has not taken significant steps to nationalize industries or land, so the President's bark has in some ways been worse than his bite. It would not be surprising, however, if Mutharika used the AU Chair as a platform to project some of his more contrarian economic notions, particularly given his own credentials as an international economist.

FAVORITES: FOOD SECURITY AND CLIMATE CHANGE

16. Food Security and climate change are two development issues where President Mutharika has demonstrated a strong interest (ref D). Bingu has made food security his number one domestic priority, and his agricultural input subsidy program has won him popularity at home and abroad. While the program deserves some credit for Malawi's recent bumper harvests, it has suffered from

mismanagement, politicization and corruption. Consistently good rains have had at least as much to do with the country's recent success as the subsidy program. On climate change, Mutharika has spoken frequently and passionately about the need for African countries like Malawi both to mitigate the phenomenon and adapt to it. What is less clear is the GOM's attitude toward the recent accord struck in Copenhagen, about which the President has said little. Bingu is likely to blame the developed world for the problem and push hard for as much money as possible from rich countries, but may be persuaded to support and follow the current process, and urge other countries in the region to do the same.

LOW KEY ON POLITICAL ISSUES

¶7. While he has sought out the international spotlight on economic issues, President Mutharika has generally kept a low profile on key African political issues including Sudan, Somalia, Madagascar and Zimbabwe. In the case of Zimbabwe, the President (like many Malawians) has deep personal connections to this neighbor. Mutharika has a longstanding personal rapport with Robert Mugabe, and so is highly unlikely to support any effort to remove or condemn him. Bingu and his brother, Justice Minister Peter Mutharika, share a reflex, perhaps born out of their

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childhood experiences with British colonialism, to resist any attempt by foreign donors or other leaders to push their "outsider" approaches to African challenges.

¶8. That said, Malawi has generally supported moderate SADC positions on regional issues, and has dipped its toe into regional peacekeeping missions, particularly MONUC, through company-size deployments. Plans to deploy an entire Malawian battalion to UNMIS in Sudan and then MINURCAT in Chad fell through due primarily to the Malawi Defense Forces' (MDF) lack of required equipment. The USG has provided extensive and successful PKO training to the MDF through the ACOTA program and has provided some PKO equipment (ref E), but the GOM is still short some \$15 million worth of equipment. President Mutharika recently told a group of diplomats that he did not intend to divert scarce resources from development projects to buy peacekeeping material. If donors want us to deploy, he concluded, they will have to buy us what we need. His assumption of the AU Chair may nevertheless provide additional opportunities to engage Bingu on this point, as well as some added motivation for Malawi to shine on the continental stage.

CHINA'S RISING PROFILE

¶9. One foreign power with whom President Mutharika seems happy to work is China. As it has in other African countries, China is assuming an increasingly prominent role in Malawi. The Chinese are now changing the face of Lilongwe's Capitol Hill by constructing the country's imposing new Parliament building as well as a five-star hotel and conference center. The hotel and conference center, as well as a new stadium in Lilongwe, are being financed by concessional loans, not grants, but neither President Mutharika and nor other senior officials have explained to the public that the Malawian people will eventually get the bill for

these projects. Some significant off-the-books assistance to senior government and ruling party officials may be one reason for the increasingly warm relationship.

MALAWI'S MFA: UNDERSTAFFED AND UNDER-RESOURCED

¶10. Post has enjoyed a positive and productive relationship with senior Malawian MFA officials over the last year or so. Malawi has supported recognition for Kosovo, as well as key human rights resolutions concerning Iran and Burma. At the same time, we are concerned that the MFA's small staff will be overwhelmed by the increased demands of chairing the AU, and could well disappoint in its ability to organize meetings or pursue solutions on key issues. The Ambassador and DCM have discussed with the GOM and other donors the need to increase the MFA's human resources to address this looming challenge, but have so far received only vague assurances that the MFA and Malawian Mission in Addis Ababa will dedicate sufficient resources to meet their new responsibilities. When the Ambassador discussed the issue with Justice Minister and presidential brother Peter Mutharika, the latter's only request was for additional assistance to cover travel and other expenses. The used corporate jet the President recently purchased should prove useful for AU-related travel within Africa, but the GOM may have to divert resources from other accounts to fill the gas tank.

¶11. President Mutharika will relish his expected role as Chair of the African Union, but we should all nurture realistic

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expectations concerning the quality of leadership and energy this aging, contrarian leader and his tiny and underfunded diplomatic team will bring to the office.
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